

The Value of the 340B Program: Central Vermont Medical Center Case Study

Who is Central Vermont Medical Center?



THE
University of Vermont
HEALTH NETWORK
Central Vermont Medical Center

Founded in 1963 through a merger between Montpelier's Heaton Hospital and Barre City Hospital, Central Vermont Medical

Center (CVMC) today serves a population of 66,000 and employs nearly 1,400 people in one of the most rural regions of the country. The not-for-profit community health care provider treats more than 25,000 patients through its Emergency Department, provides care to over 164,000 Vermonters in its 27 outpatient facilities, and performs over 3,000 outpatient surgeries annually. Providing a full spectrum of primary and specialty care, CVMC is a key pillar of the central Vermont community and is nationally recognized by U.S. News and World Report for its pulmonary care and orthopedic care, specifically for their top-of-the-line care for

"For hospitals in rural settings, which rely on every single dollar that comes through the door to make sure we deliver for patients and families, 340B is really critical in helping us to maintain the bottom line and make investments in the community, future workforce, and facilities to make sure we continue to reliably provide care and services."

Matthew Choate

Chief Nursing Officer at Central Vermont Medical Center

patients with COPD, pneumonia, and hip fractures.

CVMC is renowned for its National Life Cancer Treatment Center, Aquatic Wellness Center, and its Health Care Shares program, which provides healthy food to over 400 local families in coordination with the Vermont Food Bank and the VT Youth Conservation Corps Farm in Richmond, Vt.

CVMC's Screening, Brief Intervention, and Referral to Treatment (SBIRT) program for substance use is a community program maintained in partnership with the Central Vermont Prevention Coalition and over 20 local social service agencies that helps connect people who have substance use disorders with vital social services as part of Vermont's innovative hub.

CVMC also has an innovative program addressing challenges faced by households with women as primary caregivers and dependent children under the poverty level. Supported by funds from the Federal Reserve Boston Branch, CVMC hosts a community challenge site that helps redefine how this economically vulnerable population receives care and helps maintain health and well-being in their homes and communities.

CVMC's participation in the 340B Drug Pricing Program enables the system to maintain and expand innovative programs and services that directly benefit the patients and the largely rural community it serves.

Who does CVMC treat?



As a sole community hospital, CVMC serves a high number of low-income Medicare patients and Medicaid patients, as well as a significant population of uninsured individuals. Approximately 52.5% of the patients CVMC treats are

enrolled in Medicare, an additional 14.6% are enrolled in Medicaid, and 9% self-pay or are uninsured. Underscoring its importance to the community, CVMC provides over \$9.6 million in uncompensated/charity care annually.

What's the value of the 340B program for CVMC and its patients?

The 340B Drug Pricing Program is vital for hospitals like CVMC. By helping CVMC save over \$10 million per year, the program allows the hospital to make investments in the health of the community which it otherwise could not. Amid rapidly rising inflation and labor costs, the hospital has preserved operating dollars while being empowered to continue to channel resources into several innovative, community-focused programs.

Lowering Patients' Drug Costs. CVMC participates in a health assistance program that is supported by funds from the 340B program. This program is vital for many low-income Vermonters who otherwise would not be able to afford their medications or copays. Through this program, the hospital offsets the costs of drugs for qualifying patients, ensuring that they can continue taking their prescribed medications. Additionally, the savings allow CVMC to embed pharmacists in primary and specialty care offices to facilitate improved care coordination, especially for patients who require specialty medications as part of their treatment to manage their chronic conditions. Not only does this improve patients' health outcomes, but it promotes higher rates of medication adherence, which together can help cut down on the hospitals' costs.

Investment in Food Security and Individual Health.

CVMC offers two programs that address community health needs. The first is the Healthcare Shares Program, a funded partnership between CVMC, The Vermont Food Bank, and the Vermont Youth Conservation Corps Farm in which the farm and food bank make fresh vegetables, dairy products and other food staples available by prescription to needy families in the Washington County area. Hundreds of individuals and families have been provided these "prescriptions" and are allocated weekly shares of this high quality food to improve their food security and help in making healthy food choices.

The SBIRT program provides in-unit screening for patients in the Emergency Department and/or admitted to the hospital, to address substance abuse issues. Following a positive screen, individuals are connected, if eligible, to an array of services. The Rapid Access to Medication (RAM)

program provides immediate prescriptions for buprenorphine to assist in beginning a recovery trajectory from drug use. Patients in RAM are connected immediately to a recovery coach and scheduled for urgent follow up visits on discharge.

Both of these initiatives are supported by dollars that can be allocated each year because of the savings produced by our 340B program.

Workforce Development. Some of our 340B dollars are paired with other grants and philanthropy to support our hospital's numerous workforce development programs. These programs started in 2019 to address one of the most urgent crises affecting America's health care system: the nursing workforce shortage. Initially focused on nursing, the CVMC workforce development program recruits high school students or adults changing careers (including internally, from non-clinical employees looking to become nurses) to work at the hospital while they train to become licensed nursing assistants, medical assistants, licensed practical nurses and registered nurses. While students work part-time, they receive a full-time salary as an incentive for them to complete their studies and remain working at CVMC. Since its establishment, the workforce program has expanded to recruit students who want to become laboratory, respiratory and pharmacy technicians, and other allied health professionals in high demand.

340B Hospitals Need Support.

Unfortunately, recent unlawful actions by drug companies to cut the 340B program have resulted in a significant financial burden for CVMC, resulting in millions of dollars in foregone savings annually. This has meant less money to help Vermonters, who often have the fewest resources. While CVMC goes above and beyond to reinvest savings towards programs that directly benefit patients, additional cuts to the 340B program would be extremely challenging for the organization to shoulder without serious impacts on patient access to care. As CVMC faces increasing labor costs, high inflation, growing supply chain costs, and workforce shortages, financial instability continues to be a pressing concern.

The federal government must protect the 340B Drug Pricing Program so hospitals like CVMC can continue to serve the health care needs of the patients and communities they serve.